

**COUNTY ATTORNEY'S OFFICE**



**MEMORANDUM**

**TO: BOARD OF COUNTY COMMISSIONERS**

**APPROVED BY: ANDREW C. STEERS,  
DEPUTY COUNTY ATTORNEY**

**DATE: JANUARY 28, 2025**

**RE: PROPOSED SETTLEMENT AGREEMENTS**

The Assessor's Office has requested a reduction in value for the following properties. The values of the subject properties have been appealed from the Board of County Commissioners ("BOCC") sitting as the Douglas County Board of Equalization ("BOE") to the State Board of Assessment Appeals ("BAA"). These cases may not be settled without approval of the BOCC. The Attorney's Office will need settlement authority from the BOCC before signing the stipulations with the taxpayer. The information in this memo is a summary of the settlement justifications offered by the Assessor's Office.

***AMC FLORIDA SHERWOOD FOREST LLC v. Douglas County BOE,  
BAA Docket No. 2023BAA4452***

*BOE Decision:* November 1, 2023

*BOE Action:* Petition denied

*Current Status:* Protest Tax Year 2023; Scheduled at BAA

*Property Profile:* Address: 103 Centennial Blvd., Highlands Ranch, CO 80129

Type: Movie Theater Complex

*New Information:* The subject property is a 24-screen, one-story movie theater complex built in 1998. The building consists of a total of 88,204 SF and is situated on a combined 15.02-acre site. It is located west of S Broadway along Centennial Boulevard in Highlands Ranch. For the BAA appeal, the petitioner provided a restricted use appraisal of the subject property and

extensive information related to the decline of the movie theater industry as well as descriptions and bids related to deferred maintenance at the subject property. Deferred maintenance issues included the roof, HVAC, parking lot and associated escalators, and elevators.

Market information provided focused on the changes in movie theater construction over the last 25 years, particularly surrounding the number of screens and seats in a typical complex. The business model has changed from the large 18 – 24 screen complexes common when the subject was built to 10 – 12 screen developments that are constructed today. Additional information provided, focused on the impact of the pandemic and the change in policy (despite the end of the pandemic) regarding the significant shortening of movie theater exclusivity agreements before 1<sup>st</sup> run movies are released to streaming platforms. This has impacted theater attendance and revenue potential long-term. An inspection of the property was completed to confirm the deferred maintenance issues.

For the BAA analysis, the appeals appraiser re-examined the Cost Approach, Sales Comparison and Income Approaches to value. Via the Cost Approach the appeals appraiser determined not only physical depreciation but external obsolescence due to changing movie theater operation realities was appropriate. Review of the Sales Comparison and Income approaches were utilized as a test of reasonableness to the primary valuation via the Cost Approach. After discussions with the petitioner’s representative, and approval of the client, the combined Tax Year 2023 valuation will be adjusted downward from \$20,043,742 to \$15,200,000. The difference between the Douglas County rebate for Tax Year 2023 paid and the adjusted rebate amount based on this stipulation will be deducted from the final settlement refund amount.

***Store SPE PARKER 2014 3 LLC v. Douglas County BOE,  
BAA Docket No. 2023BAA4451***

*BOE Decision:* November 1, 2023

*BOE Action:* Petition denied

*Current Status:* Protest Tax Year 2023; Scheduled at BAA

*Property Profile:* Address: 18625 Stage Run Road, Parker, CO 80134

Type: Movie Theater Complex

*New Information:* The subject property is a 10-screen, one-story, movie theater complex built in 2002. The building consists of a total of 30,649 SF and is situated on a 5.074-acre site. It is located near the intersection of Dransfeldt Road and Stage Run Road in the Town of Parker. For the BAA appeal, the petitioner provided a restricted use appraisal of the subject property and extensive information related to the decline of the movie theater industry as well as descriptions and bids related to deferred maintenance at the subject property. Deferred maintenance issues included: roof, HVAC, parking lot, and elevator repairs needed.

Much of the additional information provided, focused on the impact of the pandemic and the change in policy (despite the end of the pandemic) regarding the significant shortening of movie

theater exclusivity agreements before 1<sup>st</sup> run movies are released to streaming platforms. This has impacted theater attendance and revenue potential long-term. An inspection of the property was completed to confirm the deferred maintenance issues.

For the BAA analysis, the appeals appraiser re-examined the Cost Approach, Sales Comparison and Income Approaches to value. Via the Cost Approach the appeals appraiser determined not only physical depreciation but external obsolescence due to changing movie theater operation realities was appropriate. Review of the Sales Comparison and Income approaches were utilized as a test of reasonableness to the primary valuation via the Cost Approach.

After discussions with the petitioner's representative, and approval of the client, the Tax Year 2023 valuation will be adjusted downward from \$7,440,189 to \$5,600,000. The difference between the Douglas County rebate for Tax Year 2023 paid and the adjusted rebate amount based on this stipulation will be deducted from the final settlement refund amount.

***PEPF PARKRIDGE FOUR LLC v. Douglas County BOE,***  
**BAA Docket No. 2023BAA2954**

*BOE Decision:* November 1, 2023

*BOE Action:* Petition denied

*Current Status:* Protest Tax Year 2023; Scheduled at BAA

*Property Profile:* Address: 10375 Park Meadows Dr., Lone Tree 80124

Type: Office Building

The subject property is a multi-tenant, Class A, 6-story office building consisting of 196,390 SF. It was constructed in 2002 and is situated on a 13.10-acre lot along the Park Meadows Drive commercial corridor in the City of Lone Tree. The petitioner provided study period rent rolls, income and expense statements for the study period as well as an appraisal of the subject prepared in November 2022. They also discussed the fact that the property sold in September 2024, at auction, for \$18,000,000. For the BAA analysis, the appeals appraiser re-considered the Sales Comparison and Income approaches to value and determined that an adjustment to the Tax Year 2023 valuation was merited based upon market data for office properties of this size and age as well as the actual performance of the property during the study period. After discussions with the property owner's representative and upon approval of the petitioner, the TY 2023 value was adjusted downward from \$36,050,000 to \$34,000,000. The difference between the Douglas County rebate for Tax Year 2023 paid and the adjusted rebate amount based on this stipulation will be deducted from the final settlement refund amount.

**PEPF PARKRIDGE FOUR LLC v. Douglas County BOE,  
BAA Docket No. 2024BAA2448**

*BOE Decision:* October 29, 2024

*BOE Action:* Petition denied

*Current Status:* Protest Tax Year 2024; Scheduled at BAA

*Property Profile:* Address: 10375 Park Meadows Dr., Lone Tree 80124

Type: Office Building

The subject property is a multi-tenant, Class A, 6-story office building consisting of 196,390 SF. It was constructed in 2002 and is situated on a 13.10-acre lot along the Park Meadows Drive commercial corridor in the City of Lone Tree. The petitioner provided study period rent rolls, income and expense statements for the study period as well as an appraisal of the subject prepared in November 2022. They also discussed the fact that the property sold in September 2024, at auction, for \$18,000,000. For the BAA analysis, the appeals appraiser re-considered the Sales Comparison and Income approaches to value and determined that an adjustment to the Tax Year 2023 valuation was merited based upon market data for office properties of this size and age as well as the actual performance of the property during the study period. After discussions with the property owner's representative and upon approval of the petitioner, the TY 2024 value was adjusted downward from \$36,050,000 to \$34,000,000.

**GK OF LONETREE CO LLC v. Douglas County BOE,  
BAA Docket No. 2023BAA2474**

*BOE Decision:* November 1, 2023

*BOE Action:* Petition denied

*Current Status:* Protest Tax Year 2023; Scheduled at BAA

*Property Profile:* Address: 9741 Park Meadows Dr, Lone Tree, 80124

Type: Hotel

The subject property is a 4-story Tru by Hilton hotel located in the Sky Ridge Hospital neighborhood of the City of Lone Tree. The subject consists of 114 rooms and was built in 2018. The midscale hotel is located on a 2.00-acre lot. For the BAA analysis, the appeals appraiser re-examined the Sales Comparison and Income Approaches to value taking into consideration that while occupancy and revenue were improving, the property had not yet returned to the stabilized levels the hotel exhibited prior to the pandemic by the end of the study period. Analysis via both approaches supported an adjustment, but the greatest weight was given

to the Income Approach which is the typical valuation method in the marketplace. Based upon discussions with the owner's agent, and upon approval of the property owner, a stipulation was accepted to change the Tax Year 2023 value from \$13,680,000 to \$11,400,000. The difference between the Douglas County rebate for Tax Year 2023 paid and the adjusted rebate amount based on this stipulation will be deducted from the final settlement refund amount.

***GK OF LONE TREE CO LLC v. Douglas County BOE,***  
**BAA Docket No. 2024BAA2480**

*BOE Decision:* October 29, 2024

*BOE Action:* Petition denied

*Current Status:* Protest Tax Year 2024; Scheduled at BAA

*Property Profile:* Address: 9741 Park Meadows Dr., Lone Tree, 80124

Type: Hotel

The subject property is a 4-story Tru by Hilton hotel located in the Sky Ridge Hospital neighborhood of the City of Lone Tree. The subject consists of 114 rooms and was built in 2018. The midscale hotel is located on a 2.00-acre lot. For the BAA analysis, the appeals appraiser re-examined the Sales Comparison and Income Approaches to value taking into consideration that while occupancy and revenue were improving, the property had not yet returned to the stabilized levels the hotel exhibited prior to the pandemic by the end of the study period. Analysis via both approaches supported an adjustment, but the greatest weight was given to the Income Approach which is the typical valuation method in the marketplace. Based upon discussions with the owner's agent, and upon approval of the property owner, a stipulation was accepted to change the Tax Year 2024 value from \$13,680,000 to \$11,400,000.